

**FINANCE COMMITTEE MEETING
JANUARY 27, 2021**

CONCLUSION/ACTION SUMMARY

In attendance: Committee Chair Elliott, Committee Member Garcia, Treasurer Bradley, City Manager Hoerning, Assistant City Manager Parker, and Finance Officer Bock-Helms.

This meeting was conducted pursuant to the Governor's Executive Order N-29-20 which suspended certain requirements of the Brown Act. All committee members and staff were present via videoconference. The public was able to observe the meeting via live stream on the City's website or on the public access cable channels. Public comment was offered via telephone.

1) ORAL COMMUNICATIONS

None.

- 2) PENSION MANAGEMENT PLAN – PRESENTATION**, Michael Busch and Julio Morales from Urban Futures, Inc., reviewed aspects of the City's existing Unfunded Accrued Liability (UAL), various funding strategies used to address pension liabilities including case studies from other California agencies, highlighted the increase in pension obligation bonds issued in recent years in conjunction with historically low rates, discussed the costs of issuing Pension Obligation Bonds (POBs) and the budgetary savings and potential reductions in costs of UAL by issuing bonds, discussed the probability of success of POBs through a Monte Carlo simulation. In addition, questions posed by the Finance Committee were addressed. The Committee did not request additional information pertaining to Pension Obligation Bonds to come back to the committee and supported information about POBs to be presented to the entire City Council in a future workshop.

- 3) PORTFOLIO REVIEW- DECEMBER 31, 2020**, the Committee received and filed the report.

- 4) DISCUSSION OF THE RESPONSIBILITIES OF THE FINANCE COMMITTEE**, the Committee discussed the scope and responsibilities of the Finance Committee. A discussion took place regarding reviewing warrant registers, reviewing audited financial statements and budget information in advance of being the full City Council. City Manager Hoerning explained that she believed allowing all five members of the City Council to have the opportunity to weigh in on the budget was the most appropriate and time efficient approach in the budget process, and the Finance Committee agreed.